

2016 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 132

BY REPRESENTATIVE SEABAUGH

A CONCURRENT RESOLUTION

To urge and request the Department of Insurance to study the issuance of private letter rulings by the commissioner of insurance.

WHEREAS, a private letter ruling has been defined as a document that states the intent of a state insurance commissioner to take no enforcement action with respect to an insurer regarding the subject matter of the private letter ruling; and

WHEREAS, a private letter ruling is not a statement of general applicability for which promulgation of a rule or regulation is appropriate; and

WHEREAS, a private letter ruling is limited in its effect to the matter described in the private letter ruling and has no precedential value; and

WHEREAS, only an insurer may request a private letter ruling; and

WHEREAS, the Louisiana Department of Insurance is concerned about its ability to issue informal opinions to insurance companies regarding the proposed actions of a particular insurance company based on a specific set of facts presented by the company; and

WHEREAS, the authority to issue private letter rulings may allow department regulators to do their jobs more effectively and efficiently by proactively communicating with an insurance company about both proposed action prior to the company's taking action or implementing policies or procedures which could result in regulatory action being initiated against it; and

WHEREAS, the issuance of private letter rulings may allow insurance companies and the Louisiana Department of Insurance to work together to determine whether a particular company's proposed actions are authorized by the Louisiana Insurance Code; and

WHEREAS, such efforts could reduce regulatory uncertainty and unnecessary regulatory costs that are ultimately passed on to consumers.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Department of Insurance to study the issuance of private letter rulings by the commissioner of insurance.

BE IT FURTHER RESOLVED that the Department of Insurance shall submit its findings from the study in the form of a report to the House Committee on Insurance and Senate Committee on Insurance on or before January 15, 2017.

BE IT FURTHER RESOLVED that such a study include a review of other states to determine what actions, particularly the consideration or enactment of legislation, have been taken on this subject by other states.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of insurance.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE